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DEPARTMENT OF STATE

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Memorandum of Conversation

(TELEPHONE) file DATE: May 21, 1954

SUBJECT: Guatemalan Situation

PARTICIPANTS: Señor Don Roberto Heurtematte, Ambassador of Panama
MID - Mr. Sowash

COPIES TO: AR - Ambassador Dreier, Mr. Jamison
ARA
DRA
American Embassy, Panama (Informally)

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Ambassador Heurtematte in a telephone conversation today discussed at some length his views on the developing Guatemalan situation. It is his view that, if a council of Foreign Ministers is called, it should be with a clear understanding beforehand that some definite action will be taken and that there will be no mere declaration of intent. With this proviso, he would favor such a meeting.

The Ambassador stated that if such a meeting is held, the United States should be prepared for the fact that Guatemala will have a tailor-made excuse for buying Russian arms, running as follows: Guatemala has police and armed forces which must be equipped and public order maintained; the United States has refused to allow her to buy arms here and has intervened with other governments to prevent purchases of arms elsewhere, and Guatemala therefore as a last resort must buy behind the Iron Curtain. He said that this sort of argument would have great popular appeal in Latin America.

The Ambassador also expressed the view that if any action in this matter is to find popular support in Latin America the entire question of who is to blame in the matter will have to be thoroughly investigated. He had in mind such questions as to Britain's share of responsibility for instance in the transporting of these arms to Guatemala.

The Ambassador declared that Panama is anxious to cooperate with the United States in the matter and indeed feels directly affected by these developments since, as he put it, these arms are far more likely to be used against

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against them before they are used against the United States. The Ambassador feels that the events in Central America since last December all conform to a definite and sinister pattern stemming back to the return of certain prominent Guatemalan Communists from Moscow in December "with instructions". Subsequent events in Nicaragua and Honduras all fit into this pattern, he thinks, and the current arms incident is not to be considered as isolated.

The Ambassador said that he would like to make recommendations to his Government relevant to its course of action in this matter and that to be better able to do so he would like to have an expression of the Department's views with respect to what the Department considers to be good strategy regarding this situation. I replied that the Department shares his view as to the gravity of these recent developments and would be in touch with him later.

ARA:MIL:WBSowash:mem